

No. 23

September 26, 2001

S. 1460 – Military Construction Appropriation Bill, FY 2002

Calendar No. 169

Reported from the Committee on Appropriations on September 25, 2001, by a vote of 29-0. (S. Rept. 107-68)

NOTEWORTHY

- Majority Leader Daschle announced last night that the Senate may consider the military construction appropriations bill today.
- The Senate Appropriations Committee yesterday passed S. 1460, a bill recommending appropriations totaling \$10.50 billion for FY 2002 military construction, family housing, and base closure. This amount is about \$529 million above the President's request and \$1.56 billion over the FY 2001 appropriation. The appropriated amount conforms fully to the budget resolution for defense spending in the 302(b) allocation.
- Rather than in this funding bill, most of the funding needed to repair the Pentagon building damaged by the September 11th terrorist attack will be provided from the emergency funding bill passed by the Senate on September 18 [P.L. 107-38].
- The Committee included \$682.2 million for the Base Realignment and Closure account, an increase of \$150 million over the budget request.
- The FY 2002 budget request includes \$1.22 billion to construct or modernize 60 barracks projects. The Committee recommends \$1.246 billion for these activities, an increase of \$27.9 million over the budget request, to help reduce the unaccompanied housing deficit and modernize existing barracks. The FY 2002 budget request includes \$25.5 million for four child development center projects. The Committee recommends \$33.2 million for a total of six projects.
- The House passed H.R. 2904, its \$10.5 billion military construction funding bill, on September 21, by a vote of 401 to 0.



BACKGROUND

The military construction appropriation bill provides funding for the planning, design, construction, alteration and improvement of military facilities worldwide, both for the active and reserve forces. It finances construction, alterations, improvement, operation and maintenance of military family housing, including payments against past housing mortgage indebtedness. This bill also serves as the source for the U.S. share of the NATO Security Investment Program, and provides funding to implement base closure and realignments authorized by law.

The House of Representatives passed its version of the Military Construction Appropriation Bill for FY 2002, H.R. 2904, on September 21, 2001, by a vote of 401-0. The bill provides \$10.5 billion for military construction activities for FY 2002. Included in the House-passed bill is: \$5.9 billion for military construction; \$4.1 billion for family housing; and \$553 million for base realignment and closure.

BILL PROVISIONS

Military Construction

The bill provides a total of \$5.53 billion for **military construction** for the active and reserve component accounts, with approximately \$4.73 billion for **active components**, a 3- percent increase from the Administration's request and a 34-percent increase from the 2001 level. The break-down, by component, is as follows:

Active Components

Army \$1.64 billion

Navy & Marine Corps \$1.13 billion

Air Force \$1.14 billion

Defense-Wide \$ 812 million

- The Committee recommends \$1.64 billion for the Army for FY 2002, a decrease of \$118 million from the budget request. This also reflects the realignment of the Chemical Demilitarization Program account. For **chemical demilitarization**, the Committee appropriates \$172.5 million, the requested amount. While the budget request proposes these amounts be appropriated under the “Military Construction, Army,” account, as in prior years, the Committee recommends that these amounts be appropriated under the “Military Construction, Defense-Wide” account, to facilitate the tracking of expenses for the Chemical Demilitarization Program, and to avoid distorting the size of the Army’s military construction program.

In addition, the Committee believes that the focus on this program must remain at the Office of the Secretary of Defense rather than at the service level and directs the Department to submit the FY 2003 budget accordingly.

- The FY 2002 budget request included \$225.1 million for 22 **medical construction projects**, plus planning and design and minor construction to provide hospital and medical facilities, including treatment, training, and medical research and development facilities. The Committee recommends a total of \$229.1 million for medical projects.
- The Committee provides \$10 million for the Secretary of Defense “**Contingency Construction**” **account** in accordance with the budget request. This account provides funds which may be used by the Defense Secretary for unforeseen facility requirements.
- The Committee recommends the full budget request of \$35.6 million for the **Energy Conservation and Improvement Project (EICP)**.
- Recognizing the efficiencies gained by the construction of joint-use, multi-service facilities, the Committee directs the Defense Secretary, through the office of the Comptroller, to develop an account that would encourage the application for, and construction of, **joint-use, military-service projects** throughout the services, including the reserve components. The Committee further encourages the Department to submit a budget in FY 2003 with the inclusion of a Joint Future Years’ Defense Plan.

Reserve Components

- **Military construction for the reserves** is funded at \$799.2 million, a 30-percent increase from the Administration’s request and a 15-percent increase from the FY 2001 level. The break-down, by component, is as follows:

Army National Guard	\$ 378.5 million
Air National Guard	\$ 222.8 million

Army Reserve \$ 111.4 million

Naval Reserve \$ 32.7 million

Air Force Reserve \$ 53.7 million

- Citing the need for additional, adequate facilities from which to train, and to coordinate with other Federal and State agencies, and to store decontamination and reconnaissance equipment, the Committee has provided the Army National Guard with an additional \$9 million in unspecified minor construction funding to directly support the completion of facilities for the next seven **Weapons of Mass Destruction/Civil Support Teams (WMD/CST) locations**. In addition, the Committee added \$12 million for specific Reserve component planning and design initiatives; and an additional \$21.1 million over the budget request for minor construction activities for the Reserve components.

North Atlantic Treaty Organization (NATO) Security Investment Program

- The Committee provides \$162.6 million for the **North Atlantic Treaty Organization (NATO) Security Investment Program** for FY 2002, fully funding the budget request. The Committee continues the requirement that no funds will be used for projects (including planning and design) related to the enlargement of NATO and the Partnership for Peace program, unless Congress is notified 21 days in advance of the obligation of funds.

Overseas Military Construction

- The Committee directs the DoD to submit a report on the Department's overseas basing master plan to the Congress not later than April 1, 2002. This is in response to the significant increase in military construction funding allocated for overseas bases in the FY 2002 budget request. In all, the proposed FY 2002 overseas spending is 14.4 percent of overall specified project spending versus only 9.9 percent of total spending in FY 2001. This report should take into account the issue of overseas military training and the potential for restrictions on proposed training areas, including encroachment and environmental constraints and concerns. The Committee's goal is to ensure that scarce resources are appropriately allocated in support of our national security objectives.

Family Housing

- The Committee has provided \$4.13 billion for **family housing construction**, operations and maintenance, and the Department's family housing improvement fund. This amount is \$61.9 million above the budget request and \$470.8 million above the amount appropriated in FY 2001.

Homeowners Assistance Fund

- The Committee recommends \$10.1 million for the **Homeowners Assistance Fund**, which is equal to the amount of the budget request. This is a non-expiring revolving fund which finances a program for providing assistance to homeowners by reducing their losses incident to the disposal of their homes when military installations at or near where they are serving or employed are ordered to be closed or the scope of operations is reduced.

Base Realignment and Closure

- The Committee recommends \$682.2 million for the **base realignment and closure** account, an increase of \$150 million over the Administration's request and \$348.92 million under the amount appropriated in FY 2001. Citing its belief that the budget request is "wholly inadequate to meet the current environmental cleanup requirements at BRAC installations, the Committee recommends that an unobligated balance of \$55 million remaining in the FY 2001 Defense-wide account be rescinded and that the funds be reallocated to the BRAC account, specifically to offset the Navy and Air Force BRAC environmental shortfalls.
- The Committee also directs the DoD to provide a report by March 1, 2002, detailing the ongoing BRAC **environmental remediation projects** of each of the services and relevant Defense Agencies.

ADMINISTRATION POSITION

The Statement of Administration Policy was unavailable at press time.

POSSIBLE AMENDMENTS

There were no known amendments at press time.

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